ETEC
iShares Breakthrough Environmental Solutions ETF

Fund Description

ETEC tracks an index of global companies involved in breakthrough innovations addressing climate transition. The fund selects stocks by utilizing an Adoption Curve that contributes to a company's aggregate score (sum of revenue earned from green technology and product innovation score). Holdings are market cap weighted in the index.

FactSet Analyst Report

ETEC provides exposure to global equities categorized as emerging green technology. Selection begins with the initial index universe that then excludes companies involved in controversial issues against UNGC principles. Stocks are reviewed to meet revenue derived from eight sustainable themes: energy efficiency, green buildings and transportation, pollution prevention and reduction, renewable energy, resource efficiency technologies and services, water, and sustainable agriculture, food, and forestry. The fund excludes companies with total sustainable product revenue less than 25%. The remaining stocks are screened further to only include companies classified as green technologies. Stocks are scored within the Rogers innovation adoption curve to determine their position across the innovators-laggards spectrum, which contributes to an aggregate score. The top 50 companies with the highest aggregate scores are selected. The market cap-weighted index is reconstituted annually in December and rebalanced quarterly.